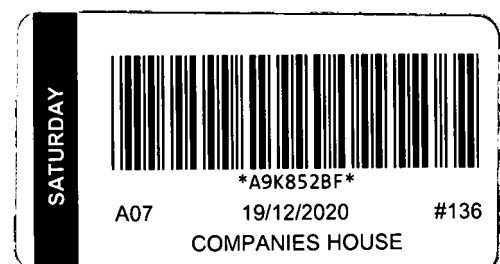




ST ATHENA GLOBAL HOLDINGS LIMITED

Report and consolidated financial statements
for the year ended 31 December 2019
Registered Number 10196536



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Company Information

Directors	J Cameron	
	B Lynn	(Appointed 20 December 2019)
	J Miles	
	M Rost	(Resigned 20 December 2019)
	A Wiechkoske	(Resigned 20 December 2019)
Secretary	P Ray	
Registered office	Orme Street Burslem Stoke-on-Trent ST6 3RB	
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT	

Strategic Report

Business review

The Directors have pleasure in presenting their report and consolidation financial statements for the year ended 31 December 2019.

The Group continues to manufacture and distribute high-quality ceramic tableware ('core') ranges manufactured in its Stoke-on-Trent factory into the global hospitality market. It also utilises existing routes to market for its tableware to source ranges of ceramic and non-ceramic tabletop ('portfolio') ranges to complement its Steelite branded tableware ranges, providing a complete tabletop solutions to distributors and end users within the hospitality industry in over 130 countries across the globe.

The Group reported turnover of £62,332,000 for the year to 31 December 2019, an improvement of +1.9% compared to 2019 with strong growth into Mainland Europe and North American markets offsetting softer performance in the United Kingdom and Ireland as well as Middle East, Africa and Asia Pacific. GBP versus both USD and Canadian dollar were on average weaker compared to 2018 which benefitted sales denominated in these currencies. This was offset by marginal strengthening of the GBP versus Euro and Australian Dollar when compared to prior year. While the weak GBP benefitted sales, the cost of the external purchase of Portfolio ranges were adversely affected.

Gross margin declined from 36.1% to 35.8% year on year. In addition to the ongoing impact of weaker GBP on purchases of Portfolio ranges, the increase to the UK National Minimum Wage of 4.9% to £8.21 effective 1 April 2019 was also a factor. While every effort is made to pass on increases in the manufacturing cost base to our customers, ongoing competitor pricing pressure meant this was not always possible.

The overhead cost base remained relatively stable compared to 2018, increasing by just £4,000 from £16,567,000 in 2018 to £16,571,000 in 2019. This resulted in Operating profit on continuing operations before intangible amortisation of £5,750,000, an increase of £231,000 on the prior year.

Profit before taxation improved from £1,941,000 in 2018 to £3,582,000 in 2019 primarily due to the positive impact of the revaluation of forward foreign currency contracts held to hedge against adverse movements in the GBP versus USD and Euro. A £672,000 revaluation gain in 2019 compares to a £552,000 revaluation loss in the prior year.

On 20 December 2019, all units in St Athena Global LLC, the ultimate parent undertaking of the Group, were acquired by Glazed Intermediate Holdings Inc. Glazed Intermediate Holdings Inc is a subsidiary of Glazed Ultimate Holdings LLC, an acquisition vehicle set up to acquire the Steelite group of companies by Arbor Investments IV, LP, Arbor Affiliates Fund IV LP and existing management. Arbor Investments are leaders in food & beverage private equity focussed on middle-market companies.

On 6 March 2020, the Group acquired 100% of the ordinary share capital of William Edwards Limited and its subsidiary, Anderton Port Limited. William Edwards Limited is renowned for its fine bone china servicing high end hospitality operators and private clients across the globe.

Key performance indicators

A range of performance measures are used to monitor and manage the business. Certain of these are particularly important in the development of the business strategy and generation of shareholder value.

Revenue, operating profit and trading cash flow indicate the sales we have achieved, the profit generated and how effectively the operating profit has been turned into cash. Customer value and service levels indicate the extent to which the Group is easy to do business with. Employee statistics show us how effective we have been in recruiting and retaining our key resource.

Risks and uncertainties

A significant proportion of sales are in currencies other than sterling and the Group's results are impacted by changes in exchange rates. Where the timing and quantum of foreign currency denominated cash receipts can be forecast with reasonable accuracy, the Group will enter into forward currency contracts to protect against adverse movements in the exchange rate.

The impact of Covid-19 across global hospitality markets has had a significant impact on the performance of the Group headed by Glazed Ultimate Holdings LLC ('The enlarged Group') of which St Athena Global Holdings Limited is a member. The enlarged Group operates from locations in USA, Canada, United Kingdom, Germany and Australia with all locations impacted by local lockdown restrictions. The enlarged Group has taken advantage of the UK Government Coronavirus Job Retention Scheme ('CJRS') to furlough all but a small number of Senior Management in its UK manufacturing operation. Manufacturing operations are at a reduced capacity and output until such a time that market demand improves. The enlarged Group has also looked to take advantage of all Government backed support in markets in which it operates. Where this has not been possible, the Directors have taken steps to reduce headcount and related costs as well as ceasing all discretionary spend. As markets exit lockdown restrictions, sales activity has improved month on month although the Directors do not expect market demand to return to pre Covid-19 levels until the second half of 2021 at the earliest.

The steps taken to reduce or in many cases, eliminate all discretionary spend, in conjunction with support in local markets where available, has allowed the business to maintain cash reserves. Existing debt facilities have been amended to ensure sufficient cash reserves remain available to meet all debts as they fall due.

Strategic Report (continued)

Risks and uncertainties (continued)

However, the impact of Covid-19 on the business is uncertain and the position may be different than can reasonably be expected if restrictions continue for an extended period. It is difficult to predict the effect that potential customer and supply chain issues or disruption due to employee absence will have on forecasts in the foreseeable future. Forecasts indicated the enlarged Group is compliant with debt covenant over the next twelve months under the revised banking facilities, even after applying reasonably possible reverse stress test sensitivities.

The United Kingdom left the EU on 31 January 2020 with the withdrawal agreement currently governing the relationship between the UK and EU due to expire on 31 December 2020. Negotiations on future trading terms, including tariffs, remain ongoing. With strong export markets, the ability to continue to trade tariff free and remain competitive with our partners in both the EU and those countries with reciprocal agreements with the EU is a key target. Nonetheless, the impact of Brexit remains a key risk and the Group is working with both its suppliers and distributor partners in Europe to minimise any disruption on the supply chain. The impact on the business is dependent upon the scale of any tariff increases, our ability to pass on these tariff increases to our customers and delays or disruption at borders in and out of the EU.

Products contain a range of raw materials and production requires significant amounts of fuel. Volatility of prices therefore impacts on profitability although this is actively managed by forward purchasing fuel where the opportunity arises.

Section 172 Statement

It is a requirement under Section 172 of the Companies Act 2006 to promote the success of the company to the benefit of stakeholders, including shareholders, lenders, employees, customers, suppliers, the environment, and the local community. The Directors have evaluated its key stakeholders and how we have engaged with them during the year as follows:

<i>Stakeholder Group</i>	<i>Why we engage</i>	<i>How we engage</i>
<i>Shareholders</i>	Both our Shareholders and Directors share a common goal in maximising the long-term growth potential for the Group. Through our engagement we strive to obtain shareholder support for our strategic objectives and how we go about delivering on them. We create value for our shareholders by generating strong and sustainable results which increases the value of the business.	While the business continues to be run autonomously, the Directors benefit from open dialogue with shareholders with regular formal and informal meetings. Formal Board meetings with shareholders are held monthly covering commercial, financial and operational aspects of the Group. Informal meetings are held where the nature or timetable of monthly Board meetings require more immediate open dialogue.
<i>Lenders</i>	The operations of the Group are supported by debt and revolving credit facilities provided by our Lenders. The support of Lenders is also essential to ensure strategic objectives can be delivered.	Both Directors and Shareholders maintain close relationships with Lenders. Monthly financial information is shared with lenders. In addition to formal covenant testing, there is also formal presentations to lenders on a quarterly basis where the commercial, financial and operational performance of the wider Group are discussed.
<i>Employees</i>	Our employees are our greatest asset, whether it is the manufacture of ceramic tableware to the highest quality standard or maintaining relationships with key stakeholders. The long-term success of the Group relies upon employee engagement, to ensure commitment to our strategy and core values while minimising employee turnover.	Regular informal meetings are held with employees to share key performance, commercial and operational information. Promoting employee health, safety and wellbeing is a key goal where Directors and Management work closely to address issues as they arise and provide support where required, while maintaining adherence to the most up to date guidance and advice.
<i>Customers</i>	Building solid and long-term relationships with customers is fundamental to the success of the Group. We pride ourselves on providing excellent customer service and products that meet all customer requirements to maintain customer loyalty and brand reputation.	We work collaboratively with customers to ensure we are meeting their requirements. We encourage our customers to visit our facilities to better understand the passion behind our ranges and to understand the care taken in the manufacture of Steelite branded ceramicware.

Strategic Report (continued)

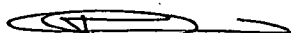
Section 172 Statement (continued)

<i>Stakeholder Group</i>	<i>Why we engage</i>	<i>How we engage</i>
<i>Suppliers</i>	We pride ourselves on the quality of our products to ensure they stand up against the rigours of a modern hospitality environment. To ensure quality across everything we do, it is essential to maintain a flexible supplier base to ensure our quality standards are met.	Our supply chain has regular correspondence with our suppliers to ensure all aspects of our relationship are maintained to the satisfaction of all parties.
<i>Environment</i>	The Group is a market and industry leader in all areas of manufacturing management and customer service. The Group takes a forward-looking approach to its corporate responsibilities and the environmental impact of the Group is no exception.	<p>The Group continually reviews environmental aspects in order to minimise the risk of any significant impact on the environment. Compliance with applicable environmental legislation is the minimum criterion for business practice, with the Group aiming for continuing improvements in its <i>environmental performance</i>. The Group continues to verify its compliance with the UK Governments' Energy Saving Opportunities Scheme ('ESOS'). The Group aims to improve environmental performance through the reduction of raw material and energy usage and minimisation of waste. The Group is committed to improving yield, seeking to discover new avenues for recycling, recovery or re-use of materials prior to waste disposal and the reduction of air emissions.</p> <p>Communication, information and training programmes are used by the Group to develop its personnel and encourage the continual improvement in environmental performance. As an integral part of the environmental management system, the Group endeavours to improve and build positive environmental relationships through communication with all stakeholders affected.</p>
<i>Local Community</i>	Strong local communities are critical and major employers play a key role. The Group is passionate about making the areas where its operations are based a great place to live and work.	The Group engages with the local community on an ongoing basis through charitable and other support. The Group provides direct financial support through direct contributions and also through its 'Giving Something Back' charitable initiative where the Group and employees collaboratively raise money which is distributed to local good causes within 5 miles of its operations. Employees are encouraged to nominate good causes which are personal to them. This included the funding of a minibus for exclusive use by charities, schools and other not-for-profit organisations in the local area.

Key board decisions during the year

The directors consider that there have been no key decisions or considerations that have been made in relation to the UK Group during the year to 31 December 2019.

By order of the board



J Cameron
Director

Orme Street
Burslem
Stoke-on-Trent
ST6 3RB

16 December 2020

Directors' Report

The Directors have pleasure in presenting their report and consolidated financial statements for the year ended 31 December 2019. The Business review, description of the Group's risks and uncertainties and key performance indicators are included in the Strategic Report on page 3.

Principal activities

The principal activity of the Group is the manufacture and world-wide distribution of high-quality ceramic tableware designed specifically for the hospitality market. The Group and Company also utilises its existing routes to market for its tableware to distribute ranges of ceramic and non-ceramic tabletop products to complement its existing tableware ranges, providing a complete tabletop solution to distributors and end users within the hospitality industry in over 130 countries across the globe.

The specially formulated high alumina bodies combine with unique design features to ensure highly durable products with exceptional resistance to chipping, together with heat retention properties for warm food service. The extensive item range covers all international food service requirements with many items in the range being multi-functional, giving the product maximum cost effectiveness.

These qualities have enabled the Group to compete successfully against vitrified products manufactured in the UK and porcelain within Europe and the Far East, ensuring that Steelite International maintains its reputation world-wide.

On 20 December 2019, all units in St Athena Global LLC, the ultimate parent undertaking of the Company, were acquired by Glazed Intermediate Holdings Inc. Glazed Intermediate Holdings Inc is a subsidiary of Glazed Ultimate Holdings Inc, an acquisition vehicle set up to acquire the Steelite group of companies through Arbor Investments IV, LP, Arbor Affiliates Fund IV LP and existing management. Arbor Investments are leaders in food & beverage private equity focussed on middle-market companies.

Results and dividend

The profit for the year before taxation was £3,582,000 (2018: £1,941,000). Net assets at 31 December 2019 were £25,114,000 (2018: £22,195,000) for the Group and £15,283,000 (2018: £14,617,000) for the Company. No dividends were declared in the financial period.

Research and development

The Group has an ongoing development programme within its own research and development department and is also a member of Lucideon Limited in order to contribute to and benefit from research and development in the ceramic industry. The Group spent £282,000 (2018: £241,000) on research and development which has been expensed in the year.

Directors

The Directors of the Company during the year are shown on page 2. The Directors benefited from qualifying third-party indemnity provisions in place during the financial year and at the date of this report.

Employees

The Group continued to recognise the benefits of keeping employees regularly informed of the progress of the business. The involvement of all staff and operatives in the business is essential to the Group's success and employees or their representatives are consulted on a regular basis so that the views of the employees can be taken into account in making decisions which are likely to affect their interests. This achieves a common awareness on the part of employees of the financial and economic factors affecting the performance of the Group. Health and Safety was given considerable attention during the year and Health and Safety committees have participated in the Group's activities.

The Group's policy and practice is to encourage and assist the employment of disabled people, their recruitment, training, career development and the retention of employees who become disabled.

Policy and practice on payment of creditors

The Group's policy, in relation to all of its suppliers, is to settle the terms of payment when agreeing the terms of the transaction and to abide by those terms, provided that it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The Group does not follow any code or standard on payment practice.

The number of days' purchases outstanding for payment by the Group at the period end was 48 days (2018: 44 days).

Directors' Report (continued)

Political and charitable donations

During the year, the Group made charitable donations of £10,000 (2018: £10,000) and on numerous occasions contributed its own products to charities across North Staffordshire and other markets local to its sales offices. During the year 3,360 (2018: 3,577) pieces of ware were donated to local causes. The Group has also continued to promote its Giving Something Back charitable initiative to raise monies and distribute to charities local to its Stoke-on-Trent manufacturing facility. During the year the fund, which is held independently from the business, raised and distributed over £9,100 (2018: £7,400) of donations to charities and other worthwhile causes within 5 miles of its factory in Stoke-on-Trent and funded a minibus for exclusive use by charities, schools and other not-for-profit organisations in the local area to the value of £5,400 (2018: £6,000).

No political contributions were made by the Group (2018: £nil).

Environmental policy

The Group is a market and industry leader in all areas of manufacturing management and customer service. The Group takes a forward-looking approach to its corporate responsibilities and the environmental impact of the Group is no exception. During the period Steelite International Limited achieved compliance with ISO 14001:2015 and ISO 19001:2015.

The Group strives to achieve excellence in all business areas and the environmental management system is based on continual improvement to complement and support all other Group policies in satisfying the mission statement and securing the future of the business.

With the full support of the Board of Directors, the environmental management system continually reviews environmental aspects in order to minimise the risk of any significant impact on the environment. Compliance with applicable environmental legislation is the minimum criterion for business practice, with the Group aiming for continuing improvements in its environmental performance. The Group continues to verify its compliance with the UK Governments' Energy Saving Opportunities Scheme ('ESOS'). The Group aims to improve environmental performance through the reduction of raw material and energy usage and minimisation of waste. The Group is committed to improving yield, seeking to discover new avenues for recycling, recovery or re-use of materials prior to waste disposal and the reduction of air emissions.

Communication, information and training programmes are used by the Group to develop its personnel and encourage the continual improvement in environmental performance. Working conditions provided by the Group are both safe and healthy. As an integral part of the environmental management system, the Group endeavours to improve and build positive environmental relationships through communication with all parties affected through the Group's activities, including suppliers, employees, contractors, neighbours, customers, authorities and the public.

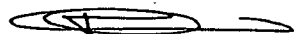
Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP will therefore continue in office

By order of the board



J Cameron
Director

Orme Street
Burslem
Stoke-on-Trent
ST6 3RB

16 December 2020

Statement of Directors responsibilities in respect of the Strategic Report, the Directors' report and the financial statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements are not published on the Company's website.

Consolidated Profit and Loss Account and Other Comprehensive Income

for year ended 31 December 2019

	Notes	2019 £000	2018 £000
Turnover	1	62,332	61,194
Cost of sales		(40,011)	(39,108)
Gross profit		22,321	22,086
Distribution costs		(4,124)	(3,759)
Administrative expenses		(12,447)	(12,808)
Operating profit on continuing operations before intangible amortisation		5,750	5,519
Goodwill amortisation and exceptional items	3	(1,977)	(1,996)
Operating profit	2,3	3,773	3,523
Interest receivable	6	677	5
Interest payable	7	(868)	(1,587)
Profit before taxation		3,582	1,941
Taxation	8	(621)	(611)
Profit for the financial period		2,961	1,330
Other comprehensive income			
Foreign exchange movement on retranslation of foreign operations		(42)	(80)
Total profit and loss		2,919	1,250

All amounts result from continuing operations for the current and previous financial period.

Notes on pages 14 – 27 form part of these Financial Statements.

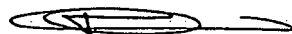
Consolidated Balance Sheet

as at 31 December 2019

		2019		2018	
	Notes	£000	£000	£000	£000
Fixed assets					
Intangible fixed assets	10		20,060		22,008
Tangible fixed assets	11		2,351		2,624
			<u>22,411</u>		<u>24,632</u>
Current assets					
Stocks	13	12,756		11,749	
Debtors	14	13,188		14,068	
Cash at bank and in hand		2,093		1,770	
		<u>28,037</u>		<u>27,587</u>	
Creditors falling due within one year	15	(10,221)		(12,738)	
Net current assets			<u>17,816</u>		<u>14,849</u>
Total assets less current liabilities			<u>40,227</u>		<u>39,481</u>
Creditors falling due after one year	16		(13,651)		(15,787)
Provisions for liabilities and charges	19		(1,462)		(1,499)
Net assets			<u>25,114</u>		<u>22,195</u>
Capital and reserves					
Called up share capital	20		-		-
Share premium account	21		13,592		13,592
Profit and loss reserve	21		11,522		8,603
Shareholders' funds			<u>25,114</u>		<u>22,195</u>

Notes on pages 14 – 27 form part of these Financial Statements.

The financial statements were approved by the Board of Directors on 16 December 2020



J Cameron
Director

Company Balance Sheet


as at 31 December 2019

		2019		2018	
	Notes	£000	£000	£000	£000
Fixed assets					
Investments	12		13,592		13,592
Current assets					
Debtors	14	22,213		21,903	
Creditors falling due within one year	15	(9,106)		(7,635)	
Net current assets			13,107		14,268
Total assets less current liabilities			26,699		27,860
Creditors falling due after one year	16		(11,416)		(13,243)
Net assets			15,283		14,617
Capital and reserves					
Called up share capital	20		-		-
Share premium account	21		13,592		13,592
Profit and loss reserve	21		1,691		1,025
Shareholders' funds			15,283		14,617

Notes on pages 14 – 27 form part of these Financial Statements.

The profit for the year dealt with in the financial statements of the parent company, St Athena Global Holdings Limited, was £666,000 (2018: £600,000). As permitted by s408 of the Companies Act 2006, a separate profit and loss account is not presented in respect of the parent company.

The financial statements were approved by the Board of Directors on 16 December 2020



J Cameron
 Director

Consolidated Statement of Changes in Equity

for the year ended 31 December 2019

	Called Up Share Capital £000	Called Up Share Capital £000	Profit & Loss Reserve £000	Total £000
At 1 January 2018	-	13,592	7,353	20,945
Profit for the financial year ended 31 December 2018	-	-	1,330	1,330
Other comprehensive income for the year ended 31 December 2018	-	-	(80)	(80)
At 31 December 2018	-	13,592	8,603	22,195
Profit for the financial year ended 31 December 2019	-	-	2,961	2,961
Other comprehensive income for the year ended 31 December 2019	-	-	(42)	(42)
At 31 December 2019	-	13,592	11,522	25,114

Company Statement of Changes in Equity

for the year ended 31 December 2019

	Called Up Share Capital £000	Called Up Share Capital £000	Profit & Loss Reserve £000	Total £000
At 1 January 2018	-	13,592	425	14,017
Profit for the financial year ended 31 December 2018	-	-	600	600
At 31 December 2018	-	13,592	1,025	14,617
Profit for the financial year ended 31 December 2019	-	-	666	666
At 31 December 2019	-	13,592	1,691	15,283

Notes on pages 14 – 27 form part of these Financial Statements.

Consolidated Cash Flow Statement

for the year ended 31 December 2019

	2019	2018
Notes	£000	£000
Cash flows from operating activities		
Profit for the financial year	2,961	1,330
Loss on disposal of fixed assets	-	10
Depreciation and fixed asset impairment	3 650	598
Intangible asset amortisation	3 1,977	1,996
Foreign exchange movements: retranslation of foreign operations	16	(4)
Increase in stock	(1,021)	(3,327)
Decrease in debtors	1,021	1,307
(Decrease)/ increase in creditors	(517)	1,498
Net interest payable	6,7 191	1,582
Taxation expense	8 621	611
Cash from operations	5,899	5,601
Interest paid	(850)	(1,031)
Taxation paid	(1,125)	(1,255)
Net cash generated from operating activities	3,924	3,315
Cash flows from investing activities		
Purchase of intangible assets	(29)	(123)
Purchase of tangible fixed assets	(354)	(991)
Disposal of tangible fixed assets	15	93
Interest received	5	5
Net cash used in investing activities	(363)	(1,016)
Cash flows from financing activities		
Repayment of term debt	(14,268)	(902)
New term debt	11,502	-
Repayment of deferred consideration	(250)	(250)
Capital element of finance lease repayments	(218)	(123)
Net cash used in financing activities	(3,234)	(1,275)
Net increase in cash and cash equivalents	327	1,024
Cash and cash equivalents at beginning of year	1,770	751
Foreign exchange gains and losses on cash and cash equivalents	(4)	(5)
Cash and cash equivalents at end of year	2,093	1,770
Cash and cash equivalents comprise:		
Cash at bank and in hand	2,093	1,770
Reconciliation of net cash flow to movement in net debt		
24		
Increase in cash in the period	327	1,024
Repayment of term debt	14,268	902
New term debt	(11,502)	-
Repayment of deferred consideration	250	250
Capital element of finance lease repayments	218	123
Change in net debt resulting from cash flows	3,561	2,299
Other non-cash movements	(41)	(534)
Movement in net debt in the period	3,520	1,765
Net debt at start of the period	(13,188)	(14,953)
Net debt at end of the period	(9,668)	(13,188)

Notes to the Financial Statements

1 Accounting policies

St Athena Global Holdings Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK. These financial statements have been prepared for the year ended 31 December 2019.

Up until 20 December 2019 the Company's immediate and ultimate parent undertaking was St Athena Global LLC, a company incorporated in Delaware, USA. On 20 December 2019 all outstanding units in St Athena Global LLC were acquired by Glazed Ultimate Holdings LLC through its wholly owned subsidiary Glazed Intermediate Holdings Inc. Both entities are incorporated in Delaware, USA. The Company is a wholly owned subsidiary of Glazed Ultimate Holdings LLC and has taken advantage of the exemption conferred by section 33.1A of IFRS 102 not to disclose transactions with Glazed Ultimate Holdings LLC or other wholly owned subsidiaries within the group. Consolidated financial statements are not publicly available and as such St Athena Global Holdings Limited is the highest company in the group structure where consolidated financial statements are prepared and are publicly available.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2015. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- Financial instruments disclosures have not been presented;
- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Group and Company has not retrospectively changed its accounting under old UK GAAP for derecognition of financial assets and liabilities before the date of transition or accounting estimates.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments classified at fair value through the profit or loss.

(a) Going concern

The Directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business. In satisfaction of this responsibility the Directors have considered the Group's ability to meet its liabilities as they fall due for a period of at least twelve months from the date of signing the financial statements.

The impact of Covid-19 across global hospitality markets has had a significant impact on the performance of the Group headed by Glazed Ultimate Holdings LLC ("The enlarged Group") of which St Athena Global Holdings Limited is a member. The enlarged Group operates from locations in USA, Canada, United Kingdom, Germany and Australia with all locations impacted by local lockdown restrictions. The enlarged Group has taken advantage of the UK Government Coronavirus Job Retention Scheme ("CJRS") to furlough all but a small number of Senior Management in its UK manufacturing operation. Manufacturing operations are at a reduced capacity and output until such a time that market demand improves. The enlarged Group has also looked to take advantage of all Government backed support in markets in which it operates. Where this has not been possible, the Directors have taken steps to reduce headcount and related costs as well as ceasing all discretionary spend. As markets exit lockdown restrictions, sales activity has improved month on month although the Directors do not expect market demand to return to pre Covid-19 levels until the second half of 2021 at the earliest.

The financial statements of St Athena Global Holdings Limited have been prepared on a going concern basis which, in the opinion of the Directors, is appropriate for the reasons set out below.

The enlarged Group is reliant for its working capital and other funding needs on financing arrangements made available by external lenders through St Athena Global LLC and St Athena Global Holdings Limited. The external funding provided as part of the transaction on 20 December 2019 (see above) includes access to a revolving credit facility of \$15,000,000 of which \$1,879,000 is currently drawn at the date of signing these consolidated financial statement. In addition, the enlarged Group currently has the following existing debt facilities outstanding: GBP Term Loan of £11,416,000; US Term Loan of \$115,103,000; Sponsor Line of Credit of \$5,000,000; and Shareholder debt of \$40,715,000. Shareholder debt accrues cash interest at 12% per annum which, while the Group is still subject to reduced trade due to the pandemic and reliant on Government support in the UK, the holders have agreed to convert to fully PIK debt. On 6 November 2020 the Group successfully amended existing debt facilities (reflected in the above) which also included relief from leverage covenant tests performed at June 2020 and September 2020. Until December 2021, quarterly leverage tests have been replaced with a monthly liquidity test based on available cash and undrawn revolving credit facilities.

The steps taken to reduce or in many cases, eliminate all discretionary spend, in conjunction with support in local markets where available, has allowed the business to maintain cash reserves.

The Directors of St Athena Global LLC and St Athena Global Holdings Limited have prepared consolidated cash flow projections for the period of twelve months following the date of these financial statements, which has included reverse stress testing and adjusting for reasonably possible sensitivities. These projections indicate that the enlarged Group can meet its working capital and funding obligations within the committed facilities available and therefore the Directors are confident that the enlarged Group will be able to meet its debts as they fall due during the next 12 months.

The Directors remain in close contact with both its ultimate controlling party and external lenders. Their willingness to support the business is evidenced by the agreement to provide additional debt funding and covenant test relief until at least the end of 2021 and willingness to convert cash interest on the shareholder debt to PIK interest which retains cash within the enlarged Group. The Directors remain confident of the lenders and shareholders ongoing support as the business starts to ramp up operations in line with market demand.

However, the impact of Covid-19 on the business is uncertain and the position may be different than can reasonably be expected if restrictions continue for an extended period. It is difficult to predict the effect that potential customer and supply chain issues or disruption due to employee absence will have on forecasts in the foreseeable future. Forecasts indicated the enlarged Group is compliant with debt covenant over the next twelve months under the revised banking facilities, even applying reasonable possible reverse stress test sensitivities.

The Directors have an expectation that the enlarged Group has adequate resources to continue in operational existence for the foreseeable future. The Directors therefore believe that it remains appropriate to prepare these consolidated financial statements on a going concern basis.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

(g) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

(h) Government grants

Capital based government grants are netted off the cost of the asset against which the grant was received. Depreciation charged on these assets is reduced accordingly so as to write off the grant received over the useful economic life of the asset. Revenue grants are credited to the profit and loss account once the Group have satisfied the conditions resulting in the grants becoming due.

(i) Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the Group recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

FRS 102.35 grants certain exemptions from the full requirements of FRS 102 in the transition period. The Group elected not to restate business combinations that took place prior to 1 January 2015. In respect of acquisitions prior to 1 January 2015, goodwill is included on the basis of its deemed cost, which represents the amount recorded under old UK GAAP. Intangible assets previously included in goodwill, are not recognised separately.

Intangible assets, goodwill and negative goodwill

Intangible assets, goodwill and negative goodwill arising on an acquisition are allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose. The business has identified the following categories of intangible assets:

- **Contract based intangible assets:** Contract based intangible assets represent the value of rights that arise from contractual agreements. In respect of the acquisitions of Steelite International Holdings Limited and Steelite Distribution LLC the following contract based intangible assets have been identified. The value of non-compete agreements is represented by the present value of the cash flows that would be lost if the sellers involved in the transaction were to compete against the newly acquired entity, adjusted for the effective probability that the sellers would compete, and compete successfully.
- **Trademarks, designs & patents:** Trademarks, designs & patents relate to any contractual or registered right to identify the origin of goods. The relief from royalty method is used to value trademarks assigned to identified income generating units. The benefit of ownership of the trademark is valued as the relief from the royalty expense that would otherwise be incurred.
- **Customer & End user relationships and Backlog:** Customer & supplier related intangible assets result from the current and expected future relationship of a company with its direct and indirect customers. Customer and supplier relationships are valued using the multi-period excess earnings method, estimating the cash flows attributable to existing relationships discounted to present value commensurate with the risk of realizing those cash flows from the intangible asset.

Intangible assets are stated at cost less any accumulated amortisation and accumulated impairment losses.

Goodwill

Where the fair value of purchase consideration exceeds the fair value of identifiable tangible assets, liabilities and intangible assets, the balance of the cost is categorised as goodwill.

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses.

Software

Software classed as an intangible asset is stated at cost less accumulated depreciation and accumulated impairment losses. Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful life of 5 years.

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Amortisation

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets. Goodwill has no residual value. The useful economic lives of intangible assets over which amortisation is charged is included in Note 10. Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

Impairment excluding stocks and deferred tax assets

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Employee benefits

Defined contribution plans and other long-term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined contribution plans and other long-term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Termination benefits

Termination benefits are recognised as an expense when the entity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the entity has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

(k) Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

(l) Turnover

Turnover represents amounts invoiced by the Group in respect of goods sold during the year, net of discounts, rebates and value added tax and is recognised at the point of despatch. The Group only has one class of business being the manufacture, distribution and sale of ceramic and non-ceramic tabletop ranges. No geographical split of sales is presented as in the opinion of the directors this would be seriously prejudicial to the interests of the entity.

(m) Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received, including any profit on a sale and leaseback transaction, are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and interest payable

Interest payable and similar charges include interest payable and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Dividend income

Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

(n) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Critical accounting estimated and judgments

Estimates and judgments are reviewed and evaluated based on historic experience and factors including future expectations that are reasonably expected to occur. The resulting accounting estimates will, by definition, seldom agree to actual outcome. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are considered as follows:

The Group identifies stock where it is believed that the quantity held is in excess of that which may be realised at normal price levels. The realisable value of the inventory is assessed by taking into account the expected selling price less future cost of sales. The Group operates across a wide geographical base and is exposed to credit risk from its customers. The valuation of trade receivables considers the experience of bad debts, commercial experience and the level of aged receivables at the balance sheet date. Historic experience is not necessarily an indicator of future recoverability. Intangible assets acquired in business combinations were externally valued using recognised methodology described above.

2 Other operating income

	2019 £000	2018 £000
Exchange rate (loss)/ gain	(1,004)	65

3 Expenses and auditors' remuneration

	2019 £000	2018 £000
Depreciation and other amounts written off tangible fixed assets:		
Owned	644	591
Leased	6	7
Fixed asset impairment	-	-
Amortisation of intangible assets	1,977	1,996
Hire of plant and machinery	233	275
Other operating leases	1,964	2,032
Loss on disposal of fixed assets	-	10
Research and development	282	241
<i>Auditors' remuneration</i>		
Audit of these financial statements	2	2
Audit of financial statements of subsidiary undertakings	94	75
Taxation compliance and other tax advisory services	13	12
Other assurance services	18	11
	127	100

4 Staff numbers and costs

The average number of persons employed by the Group (including Directors) during the year was as follows:

	Group		Company	
	2019 Number	2018 Number	2019 Number	2018 Number
Management and administration	178	180	4	4
Production	736	772	-	-
	914	952	4	4

Notes to the Financial Statements (continued)

4 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Wages and salaries	21,698	22,808	-	-
Social security costs	1,839	2,095	-	-
Pension costs	850	922	-	-
	<u>24,387</u>	<u>25,825</u>	<u>-</u>	<u>-</u>

None of the Directors received any remuneration in respect of their role with the Company with all costs incurred by a Group undertaking.

5 Directors' remuneration

	2019 £000	2018 £000
Directors' emoluments	177	309
Company contributions to defined contribution pension schemes	15	29
Compensation for loss of office	-	90
	<u>192</u>	<u>428</u>

The aggregate remuneration of the highest paid director was £177,482 (2018: £244,004) and company pension contributions of £14,956 (2018: £13,992) were made on his behalf.

Retirement benefits are accruing to the following number of Directors:

	2019 Number	2018 Number
Defined contribution pension schemes	<u>1</u>	<u>1</u>

6 Interest receivable

	2019 £000	2018 £000
Effective gains on derivatives treated as fair value hedging instruments	672	-
Other interest receivable	5	5
	<u>677</u>	<u>5</u>

Notes to the Financial Statements (continued)

7 Interest payable

	2019 £000	2018 £000
Interest payable on bank loans overdrafts	846	903
Finance leases and hire purchase contracts	22	108
Interest payable on deferred consideration	-	24
Effective loss on derivatives treated as fair value hedging instruments	-	552
	<u>868</u>	<u>1,587</u>

8 Taxation

(a) Total tax expense recognised in the profit and loss account

	2019 £000	2018 £000
<i>UK corporation tax</i>		
Current tax on income for the year	524	639
Overseas taxation	135	101
	<u>659</u>	<u>740</u>
Total current tax	659	740
Deferred taxation	(38)	(129)
	<u>621</u>	<u>611</u>

(b) Reconciliation of the effective tax rate

The tax assessed for the year is lower than (2018: *higher than*) the average rate of tax borne by the Group of 19.0% (2018: 19.0%).
The differences are explained below:

	2019 £000	2018 £000
Profit on ordinary activities before taxation	3,582	1,941
Profit on ordinary activities multiplied by the average rate of corporation tax of 19.0% (2018: 19.00%)	681	369
<i>Effects of:</i>		
Non-deductible expenses	39	72
Non-taxable income	(10)	-
Amortisation of intangible assets	323	310
Effect of overseas tax	(26)	(29)
Movement in timing differences	85	(111)
Prior year items	(1)	-
Other movements	(470)	-
	<u>621</u>	<u>611</u>
Total tax charge	621	611

(c) Factors affecting the tax charge for the current and future years

In 2015, the government announced legislation setting the Corporation Tax main rate (for all profits except ring fence profits) at 19% for the years starting 1 April 2018 and 2019, with the main rate at 18% for the year starting 1 April 2020. In 2016, the government announced a further reduction to the Corporation Tax main rate (for all profits except ring fence profits) for the year starting 1 April 2020, setting the rate at 17%. However, in the 2020 Budget this anticipated reduction was repealed and the Corporation tax main rate (for all profits except ring fence profits) will now remain at 19% for the years starting 1 April 2020 and 2021.

Notes to the Financial Statements (continued)

9 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Accelerated capital allowances	99	80	-	-
Other timing differences	(1,561)	(1,579)	-	-
Deferred tax liabilities (see note 19)	(1,462)	(1,499)	-	-

Factors that may affect future tax charges:

If the land and buildings were disposed of at the balance sheet amounts, no tax liability would arise (2018: £nil).

The retained earnings of certain foreign subsidiaries would be subject to additional taxation if distributed. In the opinion of the directors these retained earnings are required to finance the continuing operation of those subsidiaries and, accordingly, no provision for additional taxation has been made.

10 Intangible assets and goodwill

	Software £000	Trademarks & Designs £000	Customer & End User Relationships £000	Non-compete Agreements £000	Other separately identifiable intangible assets £000	Goodwill £000	Total £000
<i>Cost</i>							
At 1 January 2019	2,069	3,920	7,890	80	380	12,624	26,963
Additions	29	-	-	-	-	-	29
At 31 December 2019	2,098	3,920	7,890	80	380	12,624	26,992
<i>Amortisation</i>							
At 1 January 2019	368	405	2,103	70	380	1,629	4,955
Charge for the year	363	157	814	10	-	633	1,977
At 31 December 2019	731	562	2,917	80	380	2,262	6,932
<i>Net Book Value</i>							
At 31 December 2019	1,367	3,358	4,973	-	-	10,362	20,060
At 31 December 2018	1,701	3,515	5,787	10	-	10,995	22,008

Software relates to the external and separately identifiable costs associated with the implementation of a new Enterprise Resource Planning ('ERP') platform in the UK which successfully went live on 2 January 2018. The software is being amortised over 5 years.

Included in the total net book value of Software is £495,000 (2018: £660,000) in respect of software held under finance leases. Depreciation for the year on these assets was £165,000 (2018: £165,000).

Other intangible fixed assets and goodwill arose from the acquisition of Steelite International Holdings Limited on 14 June 2016. The Directors undertook a valuation exercise of the intangible assets acquired for each transaction which are being amortised over the following useful economic lives:

Trademarks & designs	25 years
Customer and end user relationships	7 – 10 years
Non-compete agreements	3 years
Other separately identifiable intangible assets	<1 year
Goodwill	20 years

The Company does not hold any intangible fixed assets.

Notes to the Financial Statements (continued)

11 Tangible fixed assets

<i>Group</i>	Freehold Property £000	Plant & Machinery and Capital Work in Progress £000	Motor Vehicles £000	Total £000
<i>Cost</i>				
At 1 January 2019	574	16,192	123	16,889
Additions	-	361	32	393
Disposals	-	-	(34)	(34)
Exchange adjustments	-	(4)	(2)	(6)
At 31 December 2019	574	16,549	119	17,242
<i>Depreciation</i>				
At 1 January 2019	169	13,992	104	14,265
Charge for the period	-	644	6	650
Disposals	-	-	(19)	(19)
Exchange adjustments	-	(4)	(1)	(5)
At 31 December 2019	169	14,632	90	14,891
<i>Net Book Value</i>				
At 31 December 2019	405	1,917	29	2,351
At 31 December 2018	405	2,200	19	2,624

Included in the total net book value of Motor Vehicles is £29,000 (2018: £19,000) in respect of vehicles held under finance leases. Depreciation for the year on these assets was £6,000 (2018: £7,000). The book value of non-depreciable land included in freehold properties is £387,000 (2018: £387,000).

The Company does not hold any tangible fixed assets.

12 Investments

	Shares in Subsidiary Undertakings £000
<i>Cost</i>	
At 1 January 2019 and 31 December 2019	13,592
<i>Net Book Value</i>	
At 1 January 2019 and 31 December 2019	13,592

Details of subsidiary companies are given in note 26.

13 Stocks

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Raw Materials	142	142	-	-
Work in Progress	2,377	2,492	-	-
Finished Goods	10,237	9,115	-	-
	12,756	11,749	-	-

The difference between purchase price or production cost of stocks and their replacement values are not material.

Notes to the Financial Statements (continued)

14 Debtors

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
<i>Due in less than one year</i>				
Trade debtors	9,690	12,488	-	-
Due from Group undertakings	2,080	519	22,213	21,900
Other debtors	305	153	-	-
Prepayments and accrued income	910	908	-	3
Other financial assets (see note 18)	203	-	-	-
	<u>13,188</u>	<u>14,068</u>	<u>22,213</u>	<u>21,903</u>

The amounts due from Group undertakings are payable on demand. No interest accrues on these balances.

The impairment loss recognised in the profit and loss account in for the year in respect of bad and doubtful trade debtors was £359,000 (2018: £93,000).

15 Creditors falling due within one year

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Interest bearing loans and borrowings (see note 17)	309	1,479	86	1,025
Trade creditors	5,268	6,097	-	-
Due to Group undertakings	-	-	8,998	6,608
Taxation and social security	563	534	-	-
Other creditors	198	538	20	-
Accruals and deferred income	3,726	2,997	2	2
Corporation tax	157	624	-	-
Other financial liabilities (see note 18)	-	469	-	-
	<u>10,221</u>	<u>12,738</u>	<u>9,106</u>	<u>7,635</u>

The amounts due to Group undertakings are payable on demand. No interest accrues on these balances.

16 Creditors falling due after more than one year

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Interest bearing loans and borrowings (see note 17)	11,452	13,479	11,416	13,243
Accruals and deferred income	2,199	2,308	-	-
	<u>13,651</u>	<u>15,787</u>	<u>11,416</u>	<u>13,243</u>

Accruals and deferred income relates to lease premiums being released in equal instalments to February 2046.

Notes to the Financial Statements (continued)

17 Interest bearing loans and borrowings

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
<i>Creditors falling due within one year</i>				
Bank loans	86	1,025	86	1,025
Finance lease liabilities	223	204	-	-
Deferred consideration	-	250	-	-
Total amounts falling due within one year	309	1,479	86	1,025
<i>Creditors falling due after one year</i>				
Bank loans	11,416	13,243	11,416	13,243
Finance lease liabilities	36	236	-	-
Deferred consideration	-	-	-	-
Total amounts falling due after one year	11,452	13,479	11,416	13,243

At 31 December 2019, bank loans relate to a GBP Term Loan Facility extended as part of the acquisition of units in St Athena Global LLC on 20 December 2019. The GBP term loan facility is repayable by 20 December 2025, is secured by fixed and floating charges over the Group's assets and bears cash interest at 4.25% per annum above LIBOR (with a LIBOR floor of 1.0%), payable quarterly in arrears. Quarterly capital repayments and interest are scheduled at the end of January, April, July and October with the first repayment due on 30 April 2020.

At 31 December 2018, bank loans relate to a GBP Term Loan Facility repayable by June 2021, which was secured by fixed and floating charges over the Group's assets and bore cash interest at 5.0% per annum above LIBOR (with a LIBOR floor of 1.0%) payable quarterly in arrears. Quarterly capital repayments and interest repayments were scheduled at each calendar quarter end. This facility was repaid as part of the acquisition of units in St Athena Global LLC on 20 December 2019.

The maturity of debt under the UK Term Loan facility is as follows:

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Within one year	86	1,025	86	1,025
In the second to fifth year	11,416	13,243	11,416	13,243
Total UK Term Loan principal outstanding	11,502	14,268	11,502	14,268

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Within one year	223	204	-	-
In the second to fifth year	36	236	-	-
Finance lease liabilities	259	440	-	-

Deferred consideration arose on the acquisition of the shares in Steelite International Holdings Limited on 14 June 2016 and constituted unsecured loan notes earning interest at 6% per annum. Interest was payable quarterly in arrears. The outstanding loan notes were repaid in full on 14 June 2019, the third anniversary of the original transaction.

The maturity of deferred consideration is as follows:

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Within one year	-	250	-	-
In the second to fifth year	-	-	-	-
Total deferred consideration outstanding	-	250	-	-

Notes to the Financial Statements (continued)

18 Other financial assets

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
<i>Debtors falling due within one year</i>				
Financial assets designated as fair value through profit or loss	203	-	-	-
<i>Creditors falling due within one year</i>				
Financial liabilities designated as fair value through profit or loss	-	(469)	-	-

Financial assets designated as fair value through profit and loss relate to various foreign currency forward contracts held by the Group against foreign denominated cash flows from the sale of goods. The timing and quantum of cash flows can vary depending upon future trade and the cash flows generated by overseas subsidiaries.

The fair value of forward exchange contracts is calculated as the difference between the contractual forward price and the mid-market valuation at the balance sheet dates, discounted using a risk-free interest rate (based on Government bonds).

19 Provision for liabilities and charges

<i>Group</i>	Deferred Tax £000
At 31 December 2018	1,499
Credit in the year	(37)
At 31 December 2019 (see note 9)	1,462

The Company does not hold any deferred tax liabilities.

20 Share capital

	2019 £	2018 £
100 ordinary shares of £1 each fully paid	100	100

Called up share capital represents the nominal value of the shares issued.

Notes to the Financial Statements (continued)

21 Reserves

	Share Premium Account £000	Profit & Loss Reserve £000	Total £000
Group			
At 1 January 2019	13,592	8,603	22,195
Profit for the financial year	-	2,961	2,961
Foreign exchange movement on retranslation of foreign operations	-	(42)	(42)
At 31 December 2019	13,592	11,522	25,114
Company			
At 1 January 2019	13,592	1,025	14,617
Profit for the financial year	-	666	666
At 31 December 2019	13,592	1,691	15,283

The share premium account includes the premium on issues of equity shares, net of any issue costs.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

22 Pension schemes

The Group operates one defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the funds and amounted to £850,000 (2018: £922,000). Contributions totalling £85,000 (2018: £118,000) were due to the funds at the year-end. Death-in-Service benefits are insured, and the Group pays the premium required to cover the actual cost of risk from year to year.

23 Commitments

Capital commitments contracted for which no provision has been made in these financial statements were £Nil (2018: £Nil).

Non-cancellable operating lease rentals are payable as follows:

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Less than one year	2,028	2,101	-	-
Between one and five years	7,000	7,098	-	-
More than five years	26,998	28,462	-	-
	36,026	37,661	-	-

24 Reconciliation of movement in net debt

	At 31 December 2018 £000	Cash Flow £000	Non cash Changes £000	At 31 December 2019 £000
Cash	1,770	327	(4)	2,093
Term debt due < 1 year	(1,025)	1,025	(86)	(86)
Term debt due > 1 year	(13,243)	1,741	86	(11,416)
Deferred consideration due < 1 year	(250)	250	-	-
Deferred consideration due > 1 year	-	-	-	-
Finance leases	(440)	218	(37)	(259)
	(13,188)	3,561	(41)	(9,668)

Notes to the Financial Statements (continued)

25 Contingent liabilities

At 31 December 2019 the Company, together with certain other subsidiary undertakings, has cross guaranteed the borrowing of St Athena USA Holdings Inc. At 31 December 2019 the contingent liability under these guarantees amounted to \$99,437,000 (2018: \$31,850,000).

26 Subsidiary undertakings

At 31 December 2019 the Company had the following wholly owned subsidiary undertakings. The Company holds a 100% equity stake in the ordinary shares of St Athena Acquisition Company Limited.

	Country of incorporation	Registered address
St Athena Acquisition Company Limited	England	Orme Street, Burslem, Stoke-on-Trent, ST6 3RB
Steelite International Holdings Limited	England	Orme Street, Burslem, Stoke-on-Trent, ST6 3RB
Steelite International Group Limited	England	Orme Street, Burslem, Stoke-on-Trent, ST6 3RB
Steelite International Limited	England	Orme Street, Burslem, Stoke-on-Trent, ST6 3RB
Dunn Bennett Ltd ^{Note 1}	England	Orme Street, Burslem, Stoke-on-Trent, ST6 3RB
Grosvenor China Ltd ^{Note 1}	England	Orme Street, Burslem, Stoke-on-Trent, ST6 3RB
S.I. Group Ltd ^{Note 1}	England	Orme Street, Burslem, Stoke-on-Trent, ST6 3RB
Steelite International Benelux BV	Netherlands	's-Gravelandseweg 258, NL- 3125 BK Schiedam, Netherlands
Steelite International Canada Ltd	Canada	Unit 2, 26 Riveria Drive, Markham, Ontario, L3R5M1
Steelite International Deutschland GmbH	Germany	Philipp-Reis-Str. 16, 64404 Bickenbach, Germany
Steelite International Exports Ltd	England	Orme Street, Burslem, Stoke-on-Trent, ST6 3RB

^{Note 1: Dormant Company}

St Athena Acquisition Company Limited, Steelite International Holdings Limited and Steelite International Group Limited are intermediate holding companies. Steelite International Limited manufactures, sells and distributes ceramic tableware into the global hospitality market. The company also distributes and sells associated non-ceramic tabletop products. Steelite International Exports Limited and the overseas registered companies sell and distribute Steelite International Limited's products. Steelite International Limited also has a branch which is registered to trade in Australia. All subsidiaries are consolidated.

27 Related party transactions

During the period consultancy fees of £187,000 (2018: £151,000) were recharged from a fellow subsidiary undertaking of St Athena Global LLC in respect of consultancy fees payable to the shareholders of St Athena Global LLC.

28 Subsequent events

On 6 March 2020 Steelite International Limited acquired 100% of the ordinary share capital of William Edwards Limited and its subsidiary, Anderton Port Limited for an initial consideration of £2,471,000 plus deferred consideration of £1,500,000 to be paid in instalments over 5 years from purchase. William Edwards Limited is renowned for its fine bone china servicing high end hospitality operators and private clients across the globe.

Since the reporting date the worldwide coronavirus pandemic has affected companies and countries across the globe. The impact on the company and the mitigation strategies employed by the Directors is discussed in the Director's Report and in the going concern assessment in the accounting policies. This is a none adjusting post balance sheet event for the company.

On 2 December 2020, the Group commenced the process of dissolving certain dormant legacy holding companies and dormant subsidiary undertakings. As part of this process St Athena Acquisition Company Limited, Steelite International Holdings Limited, Steelite International Group Limited, Dunn Bennett Ltd and Grosvenor China Limited will be struck off and cease to be registered entities.

29 Ultimate parent company

The Company's ultimate parent undertaking at 31 December 2019 was Glazed Ultimate Holdings LLC, a company registered in Delaware, USA. The financial statements of Glazed Ultimate Holdings LLC are not publicly available.



INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF ST ATHENA GLOBAL HOLDINGS LIMITED

Opinion

We have audited the financial statements of St Athena Global Holdings Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2019 which comprise Consolidated profit and loss account and other comprehensive income, Consolidated and Company balance sheet, Consolidated and Company statement of changes in equity, Consolidated cash flow statement, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2019 and of the Group's Profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.



INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF ST ATHENA GLOBAL HOLDINGS LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stuart Wood (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
Manchester, UK

16 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).